

**BEFORE THE ILLINOIS COMMERCE COMMISSION**

**Docket No. 01-0614**

**Direct Testimony of Michael D. Silver  
On Behalf of Ameritech Illinois**

**Ameritech Illinois Exhibit 3.0**

**October 25, 2001**

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**DIRECT TESTIMONY OF MICHAEL D. SILVER**  
**ON BEHALF OF AMERITECH ILLINOIS**

**I. INTRODUCTION AND PURPOSE OF TESTIMONY**

**Q. Please state your name and business address.**

A. My name is Michael D. Silver. My business address is 350 N. Orleans, Chicago, IL 60654.

**Q. Please summarize your education.**

A. I received my B.A. and M.A. degrees in Economics from Eastern Illinois University.

**Q. By whom are you employed and in what capacity?**

A. I am employed by Ameritech as Associate Director of Industry Markets.

**Q. What are your duties and responsibilities in that capacity?**

A. My duties include monitoring state regulatory proceedings, regulations and orders that may affect Ameritech's Wholesale Marketing operations or current and future interconnection agreements with Competitive Local Exchange Carriers ("CLECs"). In addition, I represent Ameritech's Wholesale Marketing positions to regulatory bodies. The primary responsibility of Ameritech's Wholesale Marketing group is to develop and manage wholesale products and services; to support negotiations of local interconnection agreements with CLECs; to participate in state arbitration proceedings; and to guide compliance with the Telecommunications Act of 1996 ("FTA") and federal and state laws concerning the continued implementation of local exchange service competition.

23 **Q. What is your telecommunications experience?**

24 A. I was employed by Centel Corporation (now Sprint) from 1979 through 1985. While  
25 there, I had various regulatory responsibilities, including revenue requirements,  
26 separations, and capital recovery. In January 1986, I moved to NYNEX Service  
27 Company where I was responsible for Federal Access issues. While there, I represented  
28 NYNEX on an industry team charged with revising FCC rules and regulations related to  
29 separations and access. In March 1987, I joined Ameritech. Since joining Ameritech, my  
30 responsibilities have included coordination and filing of federal access filings; service  
31 cost development; acting as a primary interface between the Ameritech operating  
32 companies and other local exchange carriers in the Ameritech region; and supporting  
33 access reform as it applies to the five intrastate jurisdictions in Ameritech's region. In  
34 January of 2000, I was named Product Manager for Feature Group D Access services for  
35 the 13-state SBC region. I moved into my current role, as Associate Director of Local  
36 Wholesale Marketing, in April of 2000.

37 **Q. Have you previously testified before this Commission in any other proceeding?**

38 A. Yes, I submitted testimony in Docket 00-0700 with regard to Ameritech's tariff for  
39 unbundled local switching with shared transport and in Docket 98-0396 with regard to  
40 Ameritech's TELRIC rates. I have also testified in various arbitration cases in Illinois  
41 and in various regulatory proceedings in the states of Indiana, Michigan, Ohio and  
42 Wisconsin.

43 **Q. What is the purpose of your direct testimony?**

44 A. In this testimony, I will discuss certain sections of Ameritech's wholesale service tariff  
45 and explain how the provisions of those tariff sections, as modified in the manner

proposed by Ameritech in this proceeding, comply with provisions of Section 13-801 of the Illinois Public Utilities Act ("PUA"). Specifically, I will discuss the following portions of the proposed tariff, as it appears in Exhibits 1.1 and 1.2 of Mr. Wardin's testimony:

- a) Ill.C.C. No. 20, Part 19, Section 21, which relates to the provision of unbundled local switching with shared transport ("ULS-ST");
- b) Ill.C.C. No. 20, Part 19, Section 1, which provides the general terms and conditions that apply to the provision of the pre-existing and ordinarily combined Unbundled Network Elements Platforms ("UNE-P"), enhanced extended loops ("EELs") and unbundled local switching with shared transport ("ULS-ST"); and
- c) Ill.C.C. No. 20, Part 22, Section 1, which provides the general terms and conditions that apply to the provision of resale services.

## **II. UNBUNDLED LOCAL SWITCHING WITH SHARED TRANSPORT ("ULS-ST")**

### **Q. WHAT IS ULS-ST?**

A. ULS-ST is the acronym Ameritech Illinois uses for its unbundled local switching and shared transport Unbundled Network Element (UNE) product offering. Because the Shared Transport UNE cannot be provided separately from Unbundled Local Switching, ULS-ST always includes both Unbundled Local Switching (ULS) capability and Shared Transport (ST) capability.

69 **Q. Please describe the Unbundled Local Switching component of ULS-ST?**

70 A. The ULS component provides unbundled access to the local switching capability through  
71 a line-side and/or trunk-side port, which provides access to all features, functions, and  
72 capabilities of the end office switch. This ULS capability is provided separate from the  
73 local loop or other services on a per port basis.

74  
75 **Q. Please describe the Shared Transport component of ULS-ST?**

76 A. The Shared Transport component provides the interoffice trunk network portion of the  
77 ULS-ST product, including end office and tandem trunk ports, tandem switching,  
78 interoffice facilities between Ameritech's switches, and central office routing tables. In  
79 short, Shared Transport refers to all local transmission facilities connecting Ameritech's  
80 switches to one another that can be shared by more than one LEC, including Ameritech.  
81 Those transmission facilities include those between Ameritech's end office switches,  
82 between Ameritech's end office switch and Ameritech's tandem switch, and between  
83 Ameritech's tandem switches, as described in the FCC's Third Report and Order and  
84 Fourth Further Notice of proposed Rulemaking in CC Docket No. 96-98, FCC 99-238  
85 (rel. November 5, 1999) (the "UNE Remand Order"), the Third Reconsideration Order in  
86 CC Docket 96-98, ¶ 54 (rel Aug. 19, 1997), and FCC Rule 319(d)(1)(iii) (47C.F.R. §  
87 51.319(d)(1)(iii)).

88  
89 **Q. What is the relationship between ULS-ST and UNE-Platform?**

90 A. As discussed in Mr. Alexander's testimony, ULS-ST is one of the components of the  
91 UNE-Platform.

92

93 **Q. Has Ameritech amended its ULS-ST tariff to reflect Section 13-801 of the Illinois?**

94 A. Yes. Section 13-801(d)(4) appears to require Ameritech to allow a CLEC to use the  
95 UNE-Platform on a LATA wide basis. While ULS-ST is not, on its own, a UNE  
96 Platform, it is a component of the UNE Platform. For that reason, the Company has  
97 revised its ULS-ST tariff in a manner which will permit CLECs to use the UNE-Platform  
98 on a LATA wide basis.

99 Although the FCC's Rule 51.319 (c) only requires ULS-ST to be used for local traffic, in  
100 recognition of Section 13-801 of the PUA, Ameritech's tariff now includes language  
101 permitting intraLATA toll traffic originated by a CLEC end user to be carried over  
102 Ameritech's facilities to the terminating end office. In particular, the tariff allows a  
103 CLEC to route its intraLATA toll traffic from the originating end office to the  
104 terminating end office without leaving Ameritech's facilities.

105

106 This capability is available in Ameritech's interim tariff (Ill. C.C. Tariff No. 20, Section  
107 22, the "Interim Compliance Tariff") which became effective on September 18, 2001.  
108 This capability is also available in the revised tariffs being filed in conjunction with this  
109 proceeding, specifically in Ill. C.C. Tariff No. 20, Section 21.

110

111 **Q. What are the specific changes to Ameritech's ULS-ST tariff?**

112 A. On Second Revised Sheet 1.1, Ameritech has added the following language:

113 "Pursuant to the Illinois PUA, upon request the Company will also include with  
114 ULS-ST a capability for the transmission of intraLATA toll calls, originating  
115 from the purchasing carrier's retail end-user customers who are being provided  
116 local exchange service using ULS-ST. This intraLATA toll capability is only

117 available when the carrier purchasing ULS-ST is also the pre-subscribed  
118 intraLATA toll carrier for the retail end-user customer being served by the ULS-  
119 ST. The capability will be provided from the Company's originating end-office  
120 where the ULS is being provided for such end-user customer. This capability is  
121 limited to transmitting such intraLATA toll calls on the Company's existing  
122 network using the same routing tables and network facilities, including  
123 interexchange trunk groups and tandem switching, as intraLATA toll calls  
124 originated from the same end-office by the Company's retail end-user customers.  
125 Per the terms of ULS-ST Shared Transport Transit, included in this tariff, the  
126 Company will include as part of the ULS-ST the transmission of intraLATA toll  
127 calls to the local exchange carriers interconnected with the Company using the  
128 same routing tables and network facilities, including interexchange trunk groups  
129 and tandem switching, as intraLATA calls originated by the Company's retail  
130 end-user customers. The purchasing carrier is solely responsible for any  
131 terminating exchange access charges applicable to such intraLATA toll calls,  
132 including such charges that are payable to the Company and/or third party carriers  
133 for the termination of intraLATA toll calls to their respective end users."  
134

135 **Q. Why does the proposed language provide that the intraLATA toll capability is only**  
136 **available when the carrier purchasing ULS-ST is also the pre-subscribed**  
137 **intraLATA toll carrier for the retail end-user customer being served by the ULS-**  
138 **ST?**

139 **A.** The purpose of this language is to make it clear that these intraLATA interexchange  
140 transmission facilities may not be used by CLECs to solely provide services (resold toll,  
141 switched access) to other carriers. The Federal Communication Commission has held  
142 that UNEs may not be used by CLECs to solely provide switched access services.<sup>1</sup> The  
143 Illinois legislation did not change this situation, because Section 13-801(j) explicitly  
144 states that the recent amendments to the PUA are not intended to require or prohibit the  
145 substitution of switched access with a combination of network elements. Thus, Section  
146 13-801(j) preserves the status quo in this area and these intraLATA interexchange

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<sup>1</sup> CC Docket No. 96-98, Third Order on Reconsideration ("Shared Transport Order"), ¶ 52, released August 18, 1997

transmission facilities remain unavailable for CLECs to "resell" their use to interexchange carriers or other carriers.

Note that this tariff language does not restrict or otherwise limit a CLEC's ability to impose switched access charges for intraLATA or interLATA toll calls originated or terminated to its end-users. A CLEC purchasing ULS-ST may still do so. Thus, if a CLEC end-user presubscribes to another carrier's intraLATA toll offering, the CLEC is still able to charge originating switched access to the presubscribed intraLATA carrier. Those calls will be routed to the intraLATA toll carrier from the originating end office if that IXC has such a direct connection to their serving wire center, or from the interexchange tandem which is subtended by the originating end office.

**Q. Doesn't 801(j) have an exception for UNE Platforms required by 801(d)(4)?**

A. As I understand it, that exception does not apply to ULS-ST because ULS-ST is not a "network elements platform" under 801(d)(4). A "network element platform" is a combination of network elements that provides "end to end" telecommunications service i.e., a unbundled loop with ULS-ST. ULS-ST does not include a local loop and therefore cannot, by itself, be used to provide "end to end" telecommunications services. In other words, a CLEC would need to combine ULS-ST with another UNE to create a platform capable of providing "end to end" telecommunications services. That capability does not exist with ULS-ST by itself. Even if you were to assume that ULS-ST is a UNE-Platform and therefore subject to 801(d)(4) (which it is not), CLECs could not use it to provide switched access because under (d)(4) a UNE-Platform must be used to provide

telecommunications services to the CLEC's own "end users." An IXC is not an "end user" of a CLEC when that IXC is purchasing switched access services.

**Q. What terminating access charges apply to intraLATA toll traffic originated by a CLEC's end user and carried to the terminating end office solely over Ameritech's facilities?**

**A.** The Section 13-801 legislation, on its face, requires Ameritech to carry the CLEC end user intraLATA toll traffic to the terminating end office using Ameritech's intraLATA interexchange facilities. With that in mind, where a CLEC's end user served by ULS-ST presubscribes to that CLEC as its intraLATA carrier and originates an intraLATA toll call that terminates to an Ameritech end user, the CLEC will be charged Ameritech's local switching ("LS2") terminating access charge rate.

**Q. What if the call travels through Ameritech's network and terminates to another carrier?**

**A.** That's called transiting. In a transiting call, Ameritech charges the originating carrier for the use of its network – including a switching charge (ULS originating), a transport charge (ULS-ST blended transport) and SS7 signaling transport charges. Ameritech would not impose a terminating access charge on the originating carrier since the call is not being terminated to an Ameritech end user. Instead, the originating CLEC is solely responsible for any access or other charges imposed by the terminating carrier. If the terminating carrier mistakenly bills Ameritech for the termination of that call, Ameritech

will reject those terminating charges and inform the terminating carrier of the CLEC's responsibility as the originating carrier.

**Q. Does that mean Ameritech offers transiting in its ULS-St offering?**

A. Yes, one of the components of ULS-ST is the Shared Transport-Transit function. This portion of our shared transport offering allows telecommunications carriers to transport calls on shared facilities to non-Ameritech central office switches providing local, wireless, and interexchange services.

### **III. GENERAL TERMS AND CONDITIONS**

#### **A. BONA FIDE REQUEST PROCESS**

**Q. What is the BFR process?**

A. "BFR" stands for "bona fide request". The BFR process is one in which a CLEC makes a request for certain components from Ameritech, after which Ameritech evaluates the request, develops rates, terms and conditions and, if appropriate, provides the requested component.

**Q. Does the 1996 act require Ameritech to combine UNEs for CLECs?**

A. No.

**Q. Does the Illinois Public Utilities Act require Ameritech to combine UNEs in any circumstance?**

A. Section 13-801(d)(3), which was recently added to the PUA, purports to require Ameritech Illinois to provide certain UNE combinations if they are "ordinarily" combined.

219

220 **Q. What is meant by "ordinarily combined" as it relates to combinations of UNE**  
221 **elements?**

222 A. As Mr. Alexander's direct testimony in this proceeding points out, "ordinarily combined"  
223 is defined in Ill. C.C. No. 20, Part 19, Section 15, Revised Sheet No. 2, as "the situation  
224 when a telecommunications carrier requests the Company to provide a combination of  
225 network elements of the same type (i.e., unbundled loop and unbundled local switching  
226 port with shared transport) that the Company ordinarily combines to provide service for  
227 its end users". This sheet in the tariff then identifies 12 combinations of unbundled  
228 network elements, which along with the four combinations found on Original Sheet No. 1  
229 of Ill. C.C. No. 20, Part 19, Section 20 comprise what Ameritech believes constitute all of  
230 the UNE combinations subject to Section 13-801(d) (3) of the PUA.

231

232 **Q. When would a CLEC need to submit a BFR for an "ordinarily combined" UNE**  
233 **combination not already identified in the tariffs?**

234 A. As discussed by Mr. Alexander, Ameritech believes that its revised compliance tariff  
235 includes all "ordinarily combined" combinations. At least in the short term, and possibly  
236 in the intermediate term, there will be no need for CLECs to request other alleged  
237 "ordinarily combined" UNEs since, by definition, all such combinations will be available.  
238 As markets and technology will continue to evolve, however, it is reasonable to assume  
239 CLECs may request new "ordinarily combined" UNE combinations. A CLEC would  
240 need to submit a BFR whenever it seeks UNE combinations that the CLEC believes fall  
241 within the Illinois PUA's "ordinarily combined" standard and that are not already  
242 specifically identified in Ameritech's tariffs.

243

244 Q. Why is the BFR process the appropriate means for a CLEC to request such  
245 "ordinarily combined" UNE combinations that are not already set forth in the  
246 tariff?

247 A. A structured process is needed for a CLEC to make its request; for Ameritech to  
248 determine whether the requested UNEs are in fact "ordinarily combined"; to develop  
249 rates, terms, and conditions for the offering; and to make all necessary system changes.  
250 These tasks take time, and must be carefully coordinated among many Ameritech  
251 functional groups. The BFR process is designed to accomplish these tasks on an  
252 expedited basis.

253  
254  
255 Q. Is the Company proposing to use its standard BFR process for CLEC requests for  
256 additional "ordinarily combined" UNE combinations beyond those identified in the  
257 tariffs?

258 A. As noted above, Ameritech is not aware of any additional combinations of UNEs that are  
259 "ordinarily combined". However, if a CLEC can demonstrate that something additional  
260 exists that meets the definition, the CLEC may request that combination and the BFR  
261 process would then apply.

262

263 Q. What are the time frames for the BFR process?

264 A. The BFR process is divided into two phases. The first phase takes up to 30 days from the  
265 receipt of the BFR, and results in a preliminary price quote  
266 to the CLEC for the requested component(s). The second phase begins upon receipt  
267 of the authorization from the CLEC to proceed following completion of the first phase.

268 The second phase takes up to 90 days and results in a firm price quote and a firm delivery  
269 date for the requested component(s).

270  
271 **Q. Why does the Company need up to 120 days to fully process a BFR for an**  
272 **"ordinarily combined" combination?**

273  
274 **A.** The 120 days is a maximum number of days and the Company may be able to respond  
275 more quickly. As it is, there are times when performing the work to process a BFR within  
276 the 120 days is very difficult.

277  
278 **Q. Would you provide some specifics on why these time frames are appropriate?**

279 **A.** In the thirty day period for preliminary analysis, several functional work groups within  
280 Ameritech must work together to evaluate a BFR. These departments typically include  
281 Network, Information Technology, Billing, Ordering and Provisioning, Regulatory,  
282 Operations and Product Management. It is challenging within a 30-day time frame to get  
283 all of these work groups together to understand what a CLEC is requesting in a BFR and  
284 to then assess all the work that is needed to provide the requested combination.  
285 Considerable research and pre-development must be done in order to arrive at an efficient  
286 and timely evaluation. For example, within the 30 day time frame the Information  
287 Technology workgroup, together with other Ameritech workgroups, must conduct a high  
288 level evaluation of usage, recording and rate structure. In particular, this workgroup  
289 would examine the type of usage that would be generated with the proposed UNE  
290 combination, would examine how that usage would be recorded and transmitted to a  
291 CLEC and what type of rate structure would exist for the billing of charges to a CLEC.  
292 The other functional work groups are involved in preliminary analysis of the subject  
293 matters within their areas of responsibility. If the Company attempts to shorten the thirty

294 day interval, it would risk not being able to complete the necessary research and  
295 consultation and would increase the probability that the initial response is incomplete or  
296 inaccurate. Such an outcome would be to the detriment of both the CLEC and Ameritech.  
297 So, a reasonable timeframe is needed to handle things accurately. An arbitrarily short  
298 time frame will only lead to problems for both Ameritech and CLECs.  
299

300 **Q. Why is the 90-day time frame appropriate?**

301 A. Once the CLEC authorizes Ameritech to proceed to develop the 90-day final cost and  
302 completion time, significant additional work is necessary. During that 90-day period, the  
303 Company has to refine its analysis conducted in the 30 day time frame and needs to  
304 address additional issues. For example, Ameritech must make additional determinations  
305 about billing and recording, i.e., whether new software coding in Ameritech's billing  
306 systems is required to record and bill the charges to the CLEC and, if so, whether that  
307 requires a software change. If a software change is required, it must be scheduled for the  
308 next available software release. Ameritech must determine whether the CLEC will be  
309 provided a daily usage feed; whether Ameritech can generate the required bill data so that  
310 the CLEC's bill will contain sufficient information to accurately identify the charges;  
311 whether existing systems for ordering and provisioning can be modified to accommodate  
312 the requested UNE combination; and whether any required modifications justify some  
313 additional charge for the UNE combination requested. Ameritech may also need to  
314 develop new methods and procedures for the combination to ensure that proper  
315 procedures are in place to process and provision orders. There may also be operator  
316 services impacts. Once Ameritech determines the tasks that need to be performed, each  
317 workgroup must estimate the work required to provide and support the requested

318 combination. These considerations are all factored into the final price quote and the  
319 completion date given to the requesting CLEC.

320  
321 **Q. If the timeframes were shortened what specific concerns would Ameritech have?**

322 A. Shortening the time frame could create situations whereby the Company would not have  
323 enough time to accurately identify all the costs and work efforts necessary to provide the  
324 CLEC its requested combination of UNEs. This could lead to potential problems such as  
325 a CLEC's inability to order or Ameritech's inability to bill. Shortening the 120-day clock  
326 could also lead to situations where due dates are missed due to the inability to fully assess  
327 the operational requirements for the request. Those situations would reflect poorly on  
328 both the Company and the CLEC. Once again, while the Company's process provides  
329 for a maximum of 120 days to finalize the price quote and completion date, in some cases  
330 the Company may be able to respond in shorter time frames.

331  
332 **B. PROVISION OF SCHEDULE OF RATES**

333  
334 **Q. What tariff changes has Ameritech made to conform with Section 13-801 (i) of the**  
335 **Illinois PUA?**

336 A. Section 13-801(i) requires ILECs to provide a schedule of rates listing each of the  
337 rate elements of the ILEC that pertains to a proposed order identified by the requesting  
338 telecommunication carrier for any of the matters covered in Section 13-801. In order to  
339 conform with this requirement, Ameritech has set forth a process whereby Ameritech  
340 provides a schedule of rates, as described in Ill. CC No. 20, Part 19, Section 1.

342 Q. **What type of information must a requesting carrier submit in order to obtain a**  
343 **schedule of rates?**

344 A. As set forth in the tariff, a request issued by a requesting carrier must contain: 1) the  
345 service type; 2) a designation that the rate schedule be based on tariff rates or the rate  
346 schedule from that carrier's interconnection agreement; 3) if the request involves a UNE,  
347 identification of the UNE Platform requested, the UNE loop functionality type, the end-  
348 user address, and the collocation arrangement; and 4) identification of ancillary UNEs or  
349 services (e.g. SS7, OS/DA).

350

351 Q. **How will such information be provided by the requesting carrier to Ameritech?**

352 A. The request must be typed and faxed to Ameritech at the fax number provided  
353 in the tariff.

354

355 Q. **What time frames apply to Ameritech's response to such a request?**

356 A. If the requesting carrier provides complete, accurate information and identifies a  
357 contact who can provide additional information and otherwise discuss the request,  
358 Ameritech will attempt to provide the schedule of rates within 2 business days  
359 following the receipt of the request.

360

361 Q. **Does Ameritech confirm receipt of a request for schedule of rate information?**

362 A. Yes. After a schedule request is received, Ameritech will confirm its receipt to the  
363 requesting Carrier's designated representative via a return facsimile, provided the  
364 appropriate contact information has been provided by the requesting carrier.

365

366 Q. Does Ameritech charge for the service for providing the schedule of rate  
367 information?

368 A. At this time, Ameritech is not charging for this service. However, Ameritech  
369 reserves the right to assess charges in the future.  
370

371 IV. RESALE  
372

373 Q. What resale obligations are created by Section 13-801 of the Illinois PUA?

374 A. Among other things, Section 13-801(f) requires an ILEC subject to this section to offer  
375 all retail telecommunications services that the ILEC provides at retail to subscribers who  
376 are not telecommunications carriers, within the LATA, together with each applicable  
377 optional feature or functionality, subject to resale at wholesale rates without imposing  
378 any unreasonable or discriminatory conditions or limitations.  
379

380 Q. Does Ameritech's existing Resale Local Exchange tariff satisfy the requirements of  
381 Section 13-801(f)?

382 A. Yes.  
383

384 Q. Has Ameritech made any changes to its Resale Local Exchange tariff in light of  
385 Section 13-801 (f)?

386 A. Ameritech has added language found on 5<sup>th</sup> Revised Sheet No. 1 of Section 1 of its  
387 Resale Local Exchange tariff, to note that the tariff meets the specifications of the  
388 Telecommunications Act of 1996 ("TA96") and fully complies with the Company's  
389 obligations under the Illinois PUA.

390

391 V. SUMMARY

392

393 Q. Will you please summarize your testimony?

394 A. This testimony has demonstrated that Ameritech's tariffs, in particular Ill. C.C. No 20,  
395 Part 19, Section 1 as it relates to BFRs and a provision schedule of rates, Ill. C.C. No 20,  
396 Part 19, Section 21 as it relates to ULS-ST, and Ill.C.C. No. 20, Part 22 as it relates to  
397 resale, conform with Section 13-801 of the Illinois PUA.

398

399 Q. Does this conclude your testimony?

400 A. Yes it does.